The CHAIRMAN. Without objection it will be included in the committee record. (See p. 4269.)

Mr. FOX. We are pleased to be able to present our views as to the effectiveness of the mandatory oil-import program. I believe that I have appeared at every hearing, either by committees of Congress or by the Department of the Interior which has considered, or considered changes in, the program since its inception. In most cases, my testimony has been principally concerned with district V, the west coast, which I will now briefly discuss.

DISTRICT V PRODUCERS SUPPORT PROGRAM

The record of those hearings will show that the producers in district V have been consistent supporters of the program as it has been administered to date. We have suggested certain improvements, such as a certification procedure for exempt Canadian imports, for example. We will not burden the record here with further arguments for this proposal; we still urge its adoption, but for the sake of brevity in this statement, will rest upon the record we have made in previous appearances to support our case.

As I have heretofore indicated, we believe that in district V the oil import program has, in the main, accomplished its objectives. California reserves have increased. Production has recovered to a current 1,033,000 B/D from its postwar low of 809,000 in 1962 and is expected to continue its uptrend.

Alaskan production has risen from little or nothing just 5 years ago to 180,000 B/D today, and is also expected to increase—to at least 225,000 B/D by the end of the year.

DETERIORATION OF INDEPENDENT'S POSITION

This is the total picture. Within that picture, however, there is a disturbing element: The situation in which the independent producer finds himself. One statistic will suffice to illustrate the point. Since 1958, the independent's share of California production has declined from 45 percent of the State's total in that year to approximately 40 percent.

We think it no coincidence that during the same period, the average price of California crude dropped from $3.05 per barrel to $2.36—69 cents.

This price drop occurred during the period of mandatory import control over oil imports into District V, a control which pending legislation will continue without substantial change. The drop has caused near disaster for the independent producer, but it gives the lie to those who say that import controls result in higher prices.

If, in fact, this deterioration in the health of California independent producers has occurred during the effective period of the oil import program and if, in fact, proposed legislation will only preserve—not materially change—that program in District V, why do we support it?

EXCEPTIONS BREED EXCEPTIONS

Simply because we are convinced that exceptions and exemptions breed more exceptions and exemptions. We have seen the statement